

**MINUTES
of the
SECOND MEETING
of the
LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE**

**July 16-17, 2008
Memorial Medical Center; Rooms A and B
2450 Telshor Blvd., Las Cruces**

**July 18, 2008
Mimbres Valley Special Events Center, Room 144
2300 E. Pine St., Deming**

The second meeting of the Legislative Health and Human Services Committee (LHHS) meeting was called to order at 10:05 a.m. by Senator Dede Feldman, chair. After general welcoming remarks, members of the committee and staff introduced themselves. The chair acknowledged the local members of the legislature.

Present

Sen. Dede Feldman, Chair
Sen. Rod Adair
Rep. Joni Marie Gutierrez (7/16)
Sen. Mary Kay Papen (7/16)
Rep. Gloria C. Vaughn (7/16, 7/17)

Absent

Rep. Danice Picraux, Vice Chair
Rep. Keith J. Gardner
Sen. Steve Komadina

Advisory Members

Rep. Ray Begaye
Rep. Nora Espinoza (7/16, 7/17)
Rep. Daniel R. Foley (7/16)
Rep. John A. Heaton
Sen. Linda M. Lopez (7/17)
Rep. Antonio Lujan
Rep. Rodolpho "Rudy" S. Martinez (7/16,
7/18)
Sen. Gerald Ortiz y Pino
Sen. Nancy Rodriguez
Rep. Edward C. Sandoval
Rep. Jeff Steinborn
Rep. Mimi Stewart (7/16, 7/17)

Sen. Sue Wilson Beffort
Rep. Jose A. Campos
Rep. Nathan P. Cote
Rep. Miguel P. Garcia
Sen. Clinton D. Harden, Jr.
Sen. Timothy Z. Jennings
Sen. Gay G. Kernan
Rep. James Roger Madalena
Rep. Rick Miera
Sen. David Ulibarri

Other Legislative Members

Sen. Dianna J. Duran (7/17)
Rep. Mary Helen Garcia (7/16, 7/17)
Sen. Mary Jane M. Garcia (7/17)

Sen. Leonard Lee Rawson

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Michael Hely
Karen Wells
Tim Crawford
Alicia Santos

Guests

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

Wednesday, July 16 — Memorial Medical Center, Las Cruces

Welcome and Introductions

Paul Herzog, chief executive officer of Memorial Medical Center, thanked the committee members for coming and for their hard work in the legislature.

A sufficient number of members were present to constitute a subcommittee for the purpose of conducting the business of the committee.

Behavioral Health Panel and Status Report

Ms. Wells presented an overview and status report of the New Mexico Behavioral Health Collaborative (BHC). She reviewed its legislative history, statutory requirements, a time line of the request for proposals (RFP) process to choose a statewide entity to manage behavioral health services and some areas of interest for the committee to consider on a policy basis.

Committee members had questions and comments in the following areas:

- É opportunities for the committee to comment on the RFP process;
- É the administrative costs incurred by the statewide entity and needed oversight of the contract;
- É the importance of going forward with ValueOptions as the statewide entity to ensure continuity; and
- É issues of timeliness of claims payments, the prior authorization process and the challenge of interfacing with Medicare as a payer of services.

Linda Roebuck, chief executive officer of the collaborative, and Eddie Broadway, chief executive officer of ValueOptions, were introduced and made themselves available to answer questions.

Senator Papen chaired the committee for the remainder of the morning. She urged the committee to participate in the newly established behavioral health caucus, which will meet in conjunction with LHHS meetings.

Behavioral Health Panel

Silvia Sierra, director, Dona Ana County Health and Human Services Department, discussed the need for behavioral health services in Dona Ana County, identifying transportation, community-based services, increased awareness and unfunded services and programs as priorities. She reviewed the structure and organization of the Dona Ana County Health and Human Services Alliance, which has established pilot projects to address diabetes, prescription drug coverage, teen pregnancy prevention, specialty care and crisis intervention. She described a plan for a crisis triage center to serve as a short-term facility to assess and provide immediate, crisis-oriented services and to decriminalize behavioral health services. The alliance is requesting \$6.013 million to establish an eight-bed crisis triage facility, to fund ongoing operations and to develop community-based services.

Susan Campbell and Christena Scott, co-chairs of the Dona Ana County Local Behavioral Health Collaborative, described as successes a community-based clubhouse for teens and a crisis response program conducted in collaboration with local police. They identified the local collaborative as a very successful organization with a good cross-section of participants.

Margaret McCowan, chief executive officer, Mesilla Valley Hospital, reviewed the historical commitment of Mesilla Valley Hospital to provide behavioral health services in the area. She reviewed the array of services the hospital provides and the geographic locations in which it operates statewide. She discussed reimbursement issues and highlighted the need for continued funding for residential treatment facilities and inpatient care. The hospital is limited in its ability to receive Medicaid funding and indigent care funds. She identified a need for an increase of \$1.7 million for uncompensated inpatient psychiatric care. This amount was identified in SJM 34, which was reported to the legislature in 2008.

Joe Rodriguez, acting chief executive officer of Peak Behavioral Services (a sister organization to Mesilla Valley Hospital), testified regarding the stigma of mental health services, which is often reflected in inadequate funding. Peak has been undergoing organizational changes and is developing new areas of expertise. Its services will address needs not already met by Mesilla Valley Hospital.

Becky Beckett, president of the New Mexico chapter of the National Alliance on Mental Illness (NAMI-NM), spoke about advocacy efforts through partnerships with others. She supported the establishment of a crisis triage center. She described a grant that NAMI-NM has received to address treatment guardianships. She emphasized the importance of ongoing outreach and education regarding the availability of services and how to access them. Special attention was drawn to the issue of therapeutic substitution of prescription drugs and the inherent risks of such substitution.

The following issues were raised by committee members and addressed by panel members:

- É coordination of care for people with mental health needs leaving detention centers;
- É differing reimbursement rates for providers serving people in detention centers;
- É how the crisis triage facility will be funded beyond what the legislature may provide;
- É the relationship between the proposed crisis triage facility and local jails;
- É how and if substance abuse issues will be handled by the crisis triage facility;
- É clarification regarding the Southern New Mexico Inpatient Fund;
- É whether behavioral health funds are appropriately blended through the BHC;
- É how local priorities are determined;
- É the difference between and effectiveness of generic drugs, name-brand drugs and therapeutic equivalent drugs in treating mental illness;
- É how mental health parity is working in New Mexico;
- É the importance of identifying funding priorities early and coordinating with the Legislative Finance Committee;
- É information regarding the number and composition of local collaboratives; and
- É the high incidence of DWI offenders in Dona Ana County (1,500 per month) and how this problem is best addressed.

Kathleen Hunt, director of border area mental health services, testified that outpatient comprehensive community health services providers represent the safety net for people with behavioral health needs and that they need to be adequately funded. Preserving a continuum of services is vital. ValueOptions has been both a blessing and a problem in southern New Mexico. She would like to see profits reinvested in the community.

Representative Lujan chaired the committee during the afternoon.

Screening, Brief Intervention and Referral to Treatment (SBIRT)

Dr. Arturo Gonzales, executive director of the Sangre de Cristo Community Health Partnership (SDCCHP), gave a presentation to the committee on SBIRT. He briefly described the SBIRT model, which was originally funded in New Mexico through a five-year, \$17-million federal grant. Statistics were provided about the number and geographic location of people served around the state. The SBIRT model involves integration of behavioral health and medical health services. SBIRT services are often provided in school-based health center sites. This project has resulted in many behavioral health providers being trained and the work force being expanded. Paul Helsinger, chief financial officer for SDCCHP, testified that a major feature of SBIRT is the use of telehealth to ensure a statewide network of services, including psychiatrists, in very rural areas. Among the challenges are the lack of connectivity and the costs thereof. SBIRT shares its telehealth network connections to facilitate the use of telehealth among other programs such as the University of New Mexico's Project Echo. Dr. Gonzales presented data about the very favorable outcomes attributed to the use of the SBIRT model, including economic savings. SBIRT staffer Ramona Flores Lopez discussed the benefits to patients, including greater compliance with therapy and follow-up. Dr. Gonzales identified the next steps for SBIRT, with grant funding ending on September 30, 2008. SBIRT is requesting \$800,000 in support out of a

total budget need of \$2.1 million. Harriet Brandsetter, director of La Clinica de la Familia in Las Cruces, gave positive testimony regarding how SBIRT has enabled the clinic to provide behavioral health services.

Committee members had questions and comments in the following areas:

- É acknowledgment that appropriations requests should be made through executive agencies and the Legislative Finance Committee to ensure funding;
- É the potential for SBIRT services to be reimbursed under the Medicaid program; to date, 10 states have decided to reimburse the SBIRT diagnosis, but New Mexico has not; and
- É a request for data on the total number of people served and the total impact of the program in the state.

Senator Feldman noted that a quorum of the committee was now present.

Health Reform Status Update

Mr. Hely, lead staff for the committee, presented an update of health care reform initiatives in New Mexico and elsewhere. He drew the committee's attention to a bound collection of articles on the subject that provides a more in-depth analysis of health reform initiatives, as well as a recent publication of the New Mexico Health Policy Commission comparing other states' reform efforts.

Meaningful reform should first identify what should be included, and a determination should be made as to whether reform is incremental or comprehensive in nature. He reminded the committee of many important incremental reform measures that have already been accomplished in New Mexico, including the establishment of a high-risk pool, consolidated purchasing of health insurance (IBAC), various insurance reforms and the use of Medicaid/SCHIP dollars to expand coverage to children and adults. Efforts that have been undertaken nationally and in other states were reviewed. He discussed the benefits and challenges of certain insurance reforms and individual and employer mandates. Opportunities to achieve health cost savings were described, including emphasizing prevention and better use of technology, increasing efficiencies through managed care and increasing transparency and models of care, such as health care commons and medical homes. Additional opportunities include better management of prescription drug costs, evidence-based medicine, limiting the availability of services and expanding access to clinics such as FQHCs.

Reform could be addressed through structural changes, such as consolidation of public programs or developing a health authority. He acknowledged that reform, to be effective, should ensure an adequate work force, a subject that would be covered later in the meeting, as well as an adequate physical infrastructure.

Senator Feldman encouraged committee members to take this report seriously and review the provided documents in order to be prepared for an anticipated special session dealing with

health care. Senator Ortiz y Pino reported that a group of senators have been meeting with the administration to try to come to agreement on health reform. Some consensus has been reached on electronic medical records and insurance reforms, but there is less agreement on the idea of an authority.

The committee raised the following concerns and questions:

- É more information was requested regarding the tentative senate consensus on electronic medical records;
- É what it would take to fund Medicaid fully;
- É the possibility of fully covering children without requiring them to enroll in Medicaid;
- É how New Jersey and other states use state dollars to go beyond Medicaid and SCHIP eligibility rules;
- É the issue of aging physicians and how to make sure they are replaced;
- É the importance of ensuring adequate health care coverage for children; and
- É the critical balance between health reform initiatives and the limited availability of funds.

Mr. Herzog spoke about the shortage of all kinds of health care providers and efforts, such as local residency programs, to address this. The problem is nationwide and recruitment of physicians to New Mexico is difficult.

Public Comment

Roque Garcia commented that although the behavioral health system has improved, there is still a long way to go, particularly with regard to provider satisfaction. Providers must get paid accurately and on time. Without immediate changes, many rural providers will go out of business. He suggested that the RFP include a requirement that the statewide entity have a policy for provider complaints.

Ron Gurley would like to see a "money map" depicting how behavioral health dollars are used in each local collaborative. He advocates a change to the mental health disability code to extend the amount of time in which a mentally ill person can be in protective custody from 24 hours to 72 hours. Finally, he would like to see the number of civil commitment beds increased.

Ms. Beckett notified members about a free "bolo ties and jeans" event that NAMI-NM is sponsoring that will honor legislators on August 15 in Albuquerque. She also distributed a video that depicts the problem of post-traumatic stress disorder among returning military veterans.

Anna Otero Hatanaka, New Mexico Association for Developmental Disability Community Providers, expressed concern that there has been inadequate opportunity for the public to offer input about an anticipated special session regarding health care. She is also concerned about the governor's executive order requiring employers who contract with the state to provide health care coverage to their employees because many employers are unable to fund this. She would like to

see it encouraged, rather than mandated. She reminded committee members that the rising price of gas has had a very detrimental effect on providers who serve people in their homes.

Ruth Hoffman spoke on behalf of the Healthcare for All Campaign, which strongly encourages the creation of a health care authority as was previously endorsed by this committee. The campaign also supports full funding for Medicaid, meaning supporting coverage of all those currently eligible with the current array of services. Finally, she noted that the campaign is working together with New Mexico Voices for Children to bring forth a proposal to cover all children in the state.

Patti Jennings, director of the New Mexico Medical Insurance Pool, thanked the committee for the Mi Via waiver and the developmental disability waiver programs, both of which have benefited her daughter. The New Mexico Medical Insurance Pool plans to propose a bill to require disclosure of whether providers are contracted with an insurance company. She has studied many approaches to health reform and offered to present these to the committee at a later time.

Paul Berunda spoke on his own behalf. He wants attention given to children with secondary contamination of toxic chemicals passed to them unknowingly by returning military veterans, and the emotional impact on these children from the depression, anxiety and other manifestations of war upon veterans. He also asked for more consideration for those who are in prison.

Joanne Ferrary with the DWI Resource Center, a coalition supporting changes to reduce the influence of underage drinking, testified along with several young people. They support stricter fines and penalties for those who sell alcohol to underage individuals. They also would like restrictions on marketing alcohol to youth. Mayra Franco Vasquez, Tim Young-Onate and Maria Soto-Mayfield of the Dona Ana Action for Youth each gave personal testimony about the work they are doing on this issue.

Margaret Markham described a class action lawsuit currently in district court regarding the conditions and treatment of the mentally ill in the Dona Ana County Detention Center. She urged support of a crisis center in Las Cruces.

The committee recessed at 5:10 p.m.

Thursday, July 17 — Memorial Medical Center, Las Cruces

Representative Lujan called the committee to order at 9:20 a.m. Ken Miyagashima, mayor of Las Cruces, offered welcoming remarks.

Healthy Kids Initiative

Patty Morris, director, Healthy New Mexico Kids Initiative, Stan Rounds, superintendent, Las Cruces schools, and Mayor Miyagashima were invited to testify. Mr. Miyagashima described a new mayor's award on physical fitness being offered to children in Las Cruces rewarding good nutritional and fitness habits. The city is also planning to offer a contract to children to stay in school.

Ms. Morris lauded the City of Las Cruces for its partnership in health promotion efforts. She provided historical context for the development of the Healthy New Mexico Kids Initiative. One in three children is obese, now at a much younger age. The incidence of diabetes and heart disease is dramatically higher among obese children, and these trends are reaching epidemic proportions. In the fall of 2006, the Department of Health (DOH) established the New Mexico Interagency for the Prevention of Obesity. This group works to strengthen and support obesity prevention programs and develop policies. Healthy Kids Las Cruces is an important initiative of this interagency group. A community-based program, it aims to create an environment where it is easy to make healthy decisions and adopt healthy lifestyles. Over 50 stakeholders collaborated to identify projects and set goals to improve eating habits, increase physical activity and achieve healthier weights. The DOH will work to replicate the Las Cruces experience in other communities statewide. Monitoring and evaluation of these efforts are critical to determine the effectiveness of these efforts.

Representative Steinborn was named acting chair of the committee.

Superintendent Rounds identified key partners in the program, including Alfredo Vigil, secretary of health, Patty Morris of the DOH, the City of Las Cruces and New Mexico State University (NMSU). He noted that healthy kids perform better in school. Critical elements of this initiative include the provision of walking paths, breakfast in the classrooms, the food and vegetable tasting program, recess before lunch, banning of vending machines in elementary schools and limited vending choices in middle and high schools. Future goals include continuing the partnership with the city to expand out-of-school activities, weekly health columns in the local newspaper and more state-of-the-art playground equipment. Beginning in September 2008, physical education will be provided in 14 elementary schools, thanks to legislative funding. In the future, it is hoped that physical education will be extended to all elementary schools.

The committee raised the following questions and issues:

- É the time line for expanding physical education to all other schools in Las Cruces;
- É the use of fruits and vegetables from local farmers and community gardens;
- É whether the program addresses eating disorders; the program does not, at present, but in the future, the goal is to change the focus to healthy weight versus solely obesity;
- É other sources of funding for this program, including grants and private funding;
- É contact information for replicating this initiative in other locations, such as Albuquerque;
- É opportunities to extend physical education to other schools;

- É the extent of legislative funding for physical education in Las Cruces and the state; Chris Meurer of the Public Education Department clarified that this funding is being utilized in a phased-in fashion, with the goal of funding all elementary schools in the state;
- É the most critical measures to evaluate and monitor the success of the initiative;
- É the projected cost of funding a school walking program and other measures to ensure lifestyle changes in children;
- É data sources regarding the incidence of obesity;
- É the importance of community-wide efforts versus focusing entirely on schools; and
- É the potential for taxing junk food and using the revenues for health education.

Border Health Issues

Paul Dulin, director of the Office of Border Health, identified geographic and demographic information regarding the border: 63 percent of the border population is Hispanic and poor and 30 percent of the border population is uninsured. Transmobile populations cross the border daily to obtain health care services, for children to attend school and because services in this country are superior to those available in Mexico. The cost of much of this health care is written off by providers as bad debt. The border region accounts for high percentages of tuberculosis, diabetes, obesity and other public health concerns in New Mexico. The incidence of sexually transmitted diseases is likewise high at the border. The cost of these problems to New Mexico is high, including an estimated \$1.3 billion for diabetes alone.

The strategic goals of the Office of Border Health emphasize coordination and collaboration between countries and the use of community health workers (*promotoras*).

The following issues were discussed by the committee:

- É the issues and challenges of making policy decisions regarding serving illegal immigrants and the need for comprehensive immigration reform;
- É the importance of balancing immigration policy with public health imperatives;
- É the ongoing nature of these issues and problems;
- É the current extent of border crossings per day, including illegal crossing activity;
- É the high incidence of obesity among youth as compared to adults;
- É immunization rates in Mexico compared to New Mexico;
- É ways in which medical costs are affected by the immigrant population;
- É avenues for hospitals to get reimbursed for serving immigrants, including limited Medicaid funding for emergency services; Bob Beardsley, deputy director of the Medical Assistance Division of the Human Services Department (HSD), clarified that this coverage only extends to residents of New Mexico;
- É how immigrants can obtain social security numbers;
- É the impact of the salmonella crisis and the federal Food and Drug Administration quarantines on the chile industry; and
- É how the \$4 million in federal 1011 funds is spent.

Promotoras/Community Health Workers

Angie Sanchez, community development coordinator, Office of Border Health, gave the committee an overview of community health workers (CHWs) in New Mexico. She provided valuable fact sheets as a handout. She described fragile funding mechanisms for CHWs, proposed potential mechanisms for financing them and a CHW certification and training program.

Committee members raised the following questions and concerns:

- É whether CHWs are promoted as an avenue to encourage immigrants to cross the border to receive health services;
- É the circumstances under which Medicaid will pay for CHW services; and
- É details regarding a CHW project implemented by Molina.

HSD/Medicaid/BHC Status Report

Katie Falls, deputy director of the HSD, was asked to defer the Medicaid portion of the presentation until after lunch. Ms. Roebuck noted that much of the information regarding the BHC was covered the previous day. She briefly reviewed the time line for the behavioral health RFP. She provided the committee with copies of the concept paper and RFP, as requested. Data were provided regarding the number of consumers to be served, anticipated spending on encounter-based (not Medicaid) services and the anticipated increase in utilization of community-based services in FY08. The movement toward home- and community-based services and away-from-residential or inpatient care was described. She provided updates on three new initiatives: Total Community Approach (TCA), a partnership between the collaborative and local communities experiencing serious substance abuse problems, is currently funded in four sites around the state; the Clinical Home Pilot is comprehensively assessing children and providing wrap-around services to children in 10 sites; and the third initiative will establish three new local collaboratives to serve Native Americans. Funding for the local collaboratives and the Behavioral Health Planning Council is through the transformation grant, which will end in two years.

The committee requested information about the following issues:

- É clarification regarding the amount of administrative costs incurred by the statewide entity. Ms. Roebuck will provide more detailed information;
- É concern regarding the amount of New Mexico funding that goes out of state;
- É the medical loss ratio set in the RFP or contract: 86 percent is for services and 14 percent is for administrative overhead, according to Ms. Roebuck; the contract will be an addendum to the RFP;
- É how the RFP addresses timely payments to providers, provider grievances, denials and prior authorizations;
- É a desire that, when the contract is drafted, it should address issues raised by this committee;
- É how proposed reimbursement to the statewide entity will be determined and whether this will be publicly disclosed;
- É the percent of the contract that will be capitated versus fee-for-service;

- É provider concerns that have been expressed regarding comprehensive community support services, such as limitations on approved hours to serve homeless people;
- É the anticipated number of potential bidders on the RFP; and
- É how rural communities will be served.

A request was made that the committee concerns and comments be formally reflected in a letter from the committee to Ms. Roebuck. Senator Feldman requested staff to prepare such a letter for her signature.

After a break for lunch, Ms. Falls resumed the presentation, offering an update on Medicaid enrollment. She noted that discrepancies exist between the data presented here and the data on the HSD's web site. A question was raised as to why the cost of Medicaid has grown at a more significant rate than the enrollment numbers would suggest. Ms. Falls attributed it in part to the rising cost of health care services. She reminded the committee of the content of SM 10 and HM 4 regarding the Medicaid renewal project (a written report was provided). This project alters the process by which clients recertify their eligibility for Medicaid. Prior to its institution, there were many problems with recertification that caused people to fall off the Medicaid rolls. The project, which began as a pilot, affects only low-income children, their parents and family planning and greatly simplifies the recertification process. Updated information can be emailed, phoned in or dropped off at a local income support office. Medicaid staff proactively work to ensure that all those who are eligible for Medicaid remain on Medicaid.

Ms. Falls reported that the very old mainframe computer system that the HSD uses makes it difficult to generate all the data requested in the memorials. Reports that can be generated by this system are often misleading. The pilot has shown that there has been a slight improvement in renewals, but a significant improvement has been made on updated addresses on returned mail. The pilot has led the department to make numerous changes in its approach to recertification, including ways to partner with providers. The project is no longer a pilot; regulations to make it a permanent program will be forthcoming. In the long term, new computer systems and an automated voice response system are needed to maximize efficiency. A process map depicting the new system for enrolling people into Medicaid was described. This process will be implemented beginning in the HSD Income Support Division (ISD) offices in Albuquerque.

Ted Ross, deputy director of the ISD, Mr. Beardsley, deputy director for Medicaid, HSD, and Steven Randazzo, legislative liaison, were introduced as resources.

The committee asked questions and made comments in the following areas:

- É how the department is addressing courtesy with clients phoning in with questions;
- É other states' experiences that have adopted the streamlined process for ISD offices;
- É whether satisfaction surveys evaluating a person's experience in an ISD office have been conducted;
- É opportunities for replicating the "one-stop" process utilized by the Workforce Solutions Department;

- É clarification about why paperwork is not always processed properly and measures the department is taking to address this problem;
- É challenges that arise due to high turnover of ISD staff;
- É how the new approach will expedite the process and facilitate serving a higher volume of clients; and
- É how staffing in ISD offices in New Mexico compares to other states.

HM 4/SM 10 — Medicaid Enrollment

Kim Posich, executive director, and Gail Evans, litigation director, both of the New Mexico Center on Law and Poverty, testified that they are very pleased with the efforts undertaken by the HSD to increase enrollment in Medicaid; however, their center is aware that clients across the state are still having difficulty in working with the HSD. They are concerned that the caseloads of ISD workers are too high, which contributes to the problem of people gaining access to these important programs and benefits. They advocated for legislative support for increased funding for these caseworkers. Additionally, they support an independent review and evaluation of the information technology needs of the department and possible solutions to it. They also urged a closer investigation of the impact of autoclosure for some of the most vulnerable Medicaid-eligible populations.

Ms. Falls was asked to respond to the issue of the shortage of caseworkers. She said that increasing efficiencies, as previously described, is the approach the department is taking, rather than asking for funding for additional caseworkers.

NMSU College of Health and Social Services — Undergraduate and Graduate Nursing Programs; Outreach Programs; Border Health

Dr. Virginia Higbie, interim dean, NMSU College of Health and Human Services, introduced Dr. Esperanza Joyce, associate dean and director of the College of Nursing, and acknowledged several staff members in the audience. Dr. Joyce oriented the committee with the handouts in the packet they provided. NMSU offers baccalaureate, masters and Ph.D. programs in nursing. Options are available for distance and alternative learning models. Challenges in finding qualified faculty limit the ability to admit all the students who apply. Nursing shortages in the country and in New Mexico are expected to intensify. Fact sheets were provided about both nursing shortages and faculty shortages. NMSU is fortunate in that it has graduated 85 percent to 90 percent of its nursing students. Dr. Higbie noted that the problems being faced at NMSU are occurring across the nation and are quite serious.

The committee asked for information in the following areas:

- É clarification regarding program funding challenges;
- É the amount of recurring state appropriations received by the school for nursing;
- É the amount of money NMSU provides to fund the nursing programs;
- É efforts to encourage pathways to a nursing degree in local high schools; and
- É methods to attract and retain Ph.D. nurses to faculty.

City of Las Cruces Senior Programs/Elderly Victims Assistance Program

Shelley Modell, administrator, senior programs, and Susana Martinez, district attorney, Dona Ana County, were invited to testify. Ms. Modell asked the committee to think about the aging of New Mexico. This population has been growing at four percent to seven percent per year; within the next 20 years, it will increase to 150 percent to 200 percent per year, and older adults will outnumber those under the age of 20. She thanked the legislature for its generous support of aging network services and capital outlay to help senior centers across the state. These centers keep people healthy and engaged and give back to the community. She highlighted the importance of home care aides and the services they provide. She noted, in light of the behavioral health testimony heard on the previous day, that most elderly people prefer to receive behavioral health services in their homes rather than in outpatient settings. Many of these people neglect themselves and experience such behaviors as hoarding. The rising cost of home-delivered meals for the vulnerable elderly is an especially pressing need due to increased gasoline prices. A central kitchen would help the county to be more efficient in preparing these meals. All these services allow elders to remain in their own homes and out of nursing homes.

Ms. Martinez testified about a grant-funded program called Communities Against Senior Exploitation (CASE). The goal of the program is to inform people about how to avoid becoming victims of financial exploitation. They are also educating bank employees. The program has been in place for two years and is extremely successful.

The committee was interested in the following:

- É whether the district attorney's office in Las Cruces offers any services similar to those provided by the Senior Citizen's Law Office in Albuquerque;
- É any available statistics regarding exploitation;
- É encouragement for the district attorney's office to collaborate with the Attorney General's Office, which is also addressing this issue;
- É questions about how a central kitchen would be utilized in Las Cruces;
- É a recommendation to invite seniors to participate in the planning for a central kitchen; and
- É concerns regarding limitations in the number of people who can be served by Meals on Wheels due to the high cost of gasoline.

Home Visiting Program

Dorian Dodson, secretary, Children, Youth and Families Department (CYFD), presented a new report entitled "Building a System of Home Visiting in New Mexico". She began by reporting on an announcement by the governor to include in the agenda for the upcoming special session an increase in the eligibility level for state-subsidized child care services to 200 percent of the federal poverty level and offered to answer questions about that at the end of her presentation. The report on home visiting was the result of a task force study. The task force concluded it was more important to focus on outcomes of home visiting rather than recommending a particular model. Programs should be able to demonstrate that babies are born healthy, that children are physically and mentally healthy, that they are safe, that they are nurtured by their parents and

caregivers and that the family is connected to formal and informal supports in the community. Funding for home visiting programs are now, and will be in the future, managed directly by the CYFD, rather than by ValueOptions. The source of funding is a combination of legislative appropriations to the CYFD and Los Alamos National Laboratory (LANL) Foundation funding. A policy issue to be determined is whether home visiting services should be available to everyone or targeted to people who are at risk. The department will be able to obtain Medicaid matching funds for about one-fourth of the funds and is putting out RFPs for the remainder. The report recommends an expansion of home visiting programs by \$2 million per year so that services can be universally available across the state. She promised to provide a fact sheet that identifies areas of the state in which home visiting is currently available.

Questions and comments focused on:

- É whether a program called "The Gathering Place" is currently being funded;
- É the role of the LANL Foundation in funding home visiting;
- É support for the universal approach to providing home visiting;
- É information regarding other assistance measures to be proposed by the governor;
- É the real importance of early intervention in a child's life;
- É any information about the governor's intentions concerning health care reform; and
- É interest in how *promotoras* are used in home visiting programs and parallels to the services provided to seniors.

Public Comment

Pamela Angel, Mesilla Valley Community of Hope, spoke to the committee about homeless issues. In 2007, 3,900 people accessed her program, and the program was able to help more than 400 individuals and families to find housing. She supports increased funding to the CYFD for housing services to the homeless, including permanent, emergency and supportive housing options. She noted that homelessness cuts across all populations and needs.

Trina Witter spoke as a concerned citizen and as a member of the Bicycle Coalition of New Mexico. She asked for support for any legislation promoting bicycle safety education and for promotion of biking. Chris Brown also spoke in support of any initiative to make bicycling more accessible and safe.

The committee recessed at 5:20 p.m.

Friday, July 18

The chair called the meeting to order at 10:05 a.m. Senator John Arthur Smith was recognized and offered some welcoming comments. The chair noted that the New Mexico Health Policy Commission provided the committee with a handout outlining the topics the governor intends to cover in a special session.

Primary Care Health Work Force Study (HM 2)

Charlie Alfero, chief executive officer, Hidalgo Medical Services, Arthur Kaufman, M.D., vice president, Community Health, University of New Mexico (UNM), Kooch Jacobus, deputy director, New Mexico Health Policy Commission, and Tom Kauley, management analyst, New Mexico Health Policy Commission, gave a presentation on the report "State Funded Primary Care Residency Slots". Ms. Jacobus made preliminary comments about the content of the report and described the task force composition and the process of preparing the report. Mr. Kauley gave a brief summary of the purpose, findings and recommendations of the report. The goal was to identify ways to expand primary care training opportunities and to increase the availability of primary care services and the primary care work force in New Mexico.

Dr. Kaufman provided background data identifying the problem addressed in HM 2. Currently, New Mexico has a need for 150 primary care physicians in clinics around the state. Nationally, there is a declining number of medical students who are choosing primary care as a specialty. Residencies for this specialty are largely funded through teaching and training hospitals, resulting in poor reimbursement to the doctors. Residency training that occurs in rural areas often results in those physicians remaining in those areas to practice. Research clearly shows that provision of primary care improves health outcomes. As primary care is increased, the impact of health disparities decreases. Additionally, the positive economic impact to communities is great.

Mr. Alfero addressed a program, funded by the legislature, to provide valuable services at Hidalgo Medical Center in Silver City to residents. He introduced other members of the task force in the audience who are all continuing to work on this issue. He focused his comments on the necessary components of a pipeline to improve the supply and distribution of primary care physicians and other health professionals in the state. He noted that the issue affects both urban and rural areas. He presented the task force's legislative recommendations. The financial requests are as follows: \$600,000 to expand residency slots; \$300,000 to provide rural faculty; \$225,000 for rural training opportunities for internal medicine, pediatrics and psychiatry; and \$400,000 to the Division of Health Workforce Development in the UNM Health Sciences Center.

Committee members expressed interest in the following:

- É whether primary care physicians are leaving the state or if there is just a shortage;
- É the extent of primary care shortages in urban areas;
- É the extent to which gross receipts taxes on medical care contribute to the problem;
- É a comparison that shows that Medicaid rates in contiguous states are not worse than New Mexico, as generally claimed;
- É the average outstanding debt for a primary care physician, which averages \$185,000 for physicians and \$190,000 for dental students;
- É the disparity in potential earning between primary care practitioners and specialists;
- É the need to include work force development in health care reform efforts;
- É the fact that Massachusetts, with its new universal health care statute, does not have enough physicians to provide services to everyone who is now covered;
- É the negative impact of a cap on residency slots tied to Medicare reimbursement;

- É the effect that a high percentage of Medicaid patients has on the total compensation of a provider;
- É the relationship between Medicaid and Medicare reimbursement and the effect of New Mexico having a lower Medicare reimbursement rate than many other states;
- É an examination of providers who do not agree to take Medicaid patients;
- É the possibility of tying Western Interstate Commission for Higher Education (WICHE) principles to loan repayment programs in New Mexico universities;
- É the relationship, if any, between the New Mexico First Town Hall recommendations and the recommendations in the HM 2 report; and
- É the surprisingly high percentage of physicians who are in employment relationships versus those in private practice.

Work Force Issues Panel

The next panel of presenters included Jerry Harrison, executive director, New Mexico Health Resources (NMHR), Harvey Licht, director, Primary Care and Rural Health Office, DOH, Peter Jenson, D.D.S., director, advanced education in general dentistry program at UNM, Tashina Banks Moore, director of financial aid, Higher Education Department (HED), and Ann DeBooy, R.N., chief nursing officer, Memorial Medical Center.

Dr. Harrison noted that NMHR is currently recruiting for 570 practitioners, not including nurses. He reviewed the programs the DOH offers, including a centralized recruitment and retention clearinghouse, the Health Services Corps stipend program, the J-1 Visa program and a tax incentive program for rural health professionals. The HED offers a health education loan for service program and a health professional loan repayment program. He noted that the Dental Health Care Act is up for sunset next year. He recommends legislation to ensure that the act recognize all regional dental boards. It is a measure that will cost nothing, but will increase access to dentists in the state. Another recommendation is to increase the number of WICHE slots to 20 for dentists.

Mr. Licht stated that, nationally, reasonable projections for the shortage of physicians in 2020 is 150,000. New Mexico will probably experience a shortage that is double what it is now experiencing.

Dr. Harrison oriented the committee to a spreadsheet that reflects recent New Mexico legislation addressing work force issues. He expressed thanks for these efforts.

Ms. Moore described the health professional loan repayment program, how much it funds and the significant impact it has had on the New Mexico work force. Still, the applicants for this program far exceed the number of awards the program is able to make. Clarifying questions were asked about the maximum amount of the awards. Data were provided regarding which counties benefited and what kind of health professionals received awards. Currently, 35 health professionals are committed to working in shortage areas for two years through 2010. To fund fully the 230 applications that were received, the program would cost \$9 million. She noted that

the expansion of the loan to \$25,000 per year (or \$35,000 in some situations) has made the loan far more attractive to medical students and has resulted in far more coverage in rural areas.

Mr. Licht briefly explained the myriad programs that are designed both to recruit and retain health professionals in shortage areas of New Mexico. The newest of these is a tax incentive program. It provides a personal income tax credit of \$3,000 to \$5,000 to an eligible health care practitioner providing a year of service in a rural and underserved area. In the 2007 tax year, 1,356 participants benefited from this tax credit. Data were shared regarding the types of practitioners who received credits and the geographic distribution of their practices. This was a very popular and successful program, resulting in a significant impact on the health work force in rural areas and Native American health systems. More than 67 percent of the participants are working full time in an underserved area. He noted that next year's statistics will be important to determine if this program is working as a retention mechanism.

Dr. Jenson presented the bachelor's to D.D.S. program to be offered at UNM. It is intended to attract middle school and high school students to dental school and to support them in their efforts to become dentists. Part of the program includes bringing graduates of out-of-state dental schools back for a dental residency program in rural New Mexico. He noted that the Medicare cap on residencies does not apply to dental residents. To date, the program has resulted in 13 of 21 dental residents remaining in New Mexico to practice dentistry. A \$1 million appropriation in 2008 will allow expansion of this program. Dr. Jenson would like legislative support in 2009 for creation of the bachelor's to D.D.S. portion of the program, which will be modeled on the bachelor's to M.D. program already in place. By year four, the recurring cost of the program is expected to be \$1,501,900. The program is now working to establish collaborative relationships with out-of-state dental schools, independent of WICHE funding.

Ms. DeBooy provided a number of statistics regarding the nursing shortage in New Mexico. The numbers of nurses and nursing education programs in New Mexico are increasing; however, the employment rate of nursing is declining. Many nurses are choosing to work in ambulatory settings versus acute care settings, leaving hospitals without adequate staffing. The aging of the work force continues to be a concern. The attrition rate of nurses within the first few years after graduation is alarmingly high. Support for flexible, safe and positive work environments in which to practice, opportunities for professional development and approaches to attract nurses who desire to return to the profession are needed. Educational forums, development of pathways to excellence and approaches to attract and retain faculty are all underway in New Mexico.

The committee raised the following issues and questions:

- É how the tax credit program will work for practitioners who do not desire to continue practicing in a rural area;
- É the approval process by the DOH to be eligible for the tax credit and other programs;
- É lessons learned from prior initiatives and which ones show the most promise;

- É the effect of the tax credit program in communicating state support for the practitioners, which is appreciated far beyond the actual cash value of the credit;
- É a request for ideas regarding incentives that would retain nurses;
- É a statement of committee support for the entire topic of recruitment and retention of health care practitioners;
- É the criteria and scoring process for determining recipients of loan repayment program funds;
- É the number of urban providers who practice in rural areas;
- É how "rural" is defined; there are federal criteria that Mr. Licht will share with the committee;
- É the source of information regarding nursing employment status; it is the Board of Nursing;
- É clarification about the status of the J-1 Visa program participants and how they can be kept in the state, especially in rural areas. Competition for a narrowing pool of specialists will make it harder to keep them as they are recruited into more lucrative specialty practices;
- É a suggestion that the committee write a letter to New Mexico's congressional delegation regarding federal decisions to limit the J-1 Visa program;
- É a desire to extend the tax credit further;
- É consideration of paying the malpractice premiums for practitioners in rural areas. Lobbyist Linda Siegle noted that legislation was passed to subsidize premiums for obstetrical providers who take Medicaid. Mr. Licht noted that the experience in other states is that the benefit of this approach is short-lived; and
- É the potential for telehealth to help address work force issues.

Senator Feldman thanked the panel and recognized that the report reflects that many previous efforts are beginning to show very positive results.

Private Border Health Practitioners Panel

Dr. Kamran Kamali, Dr. Antonio Levatino and Dr. Denise Leonardi addressed problems associated with border health. Dr. Levatino, an obstetrician, reported that numerous providers, including himself, have ceased practicing due to inadequate pay; that there is a poor payer mix, with up to 60 percent Medicaid patients; and that malpractice rates are extraordinarily high. He suggest that the only true solution to the problem is significant and meaningful tort reform. He said that Texas has a good model.

Dr. Leonardi, a family practitioner and an employed physician, is considering leaving medicine due to the lack of reimbursement for many administrative activities, such as disease management, care coordination and the cost of electronic medical records. She feels the legislature does not appreciate the amount of free care that physicians provide.

Dr. Kamali, a general surgeon, provided a perspective about practicing in southern New Mexico. He noted that El Paso is heavily recruiting physicians in Las Cruces. He provided a

handout with statistics in support of his position. Potential solutions include greater attention to prevention, abolishment of the gross receipts tax for indigent care, medical malpractice reform, accountability for poor lifestyle choices and increases in "sin" taxes.

Committee questions and comments included the following:

- É discrepancies between the fact sheet reporting comparative Medicaid reimbursement rates and actual personal experience with Medicaid;
- É the big need for medical transport of patients to other settings of care;
- É a request for consideration of gross receipts tax relief for southern New Mexico, the fiscal impact of which would be \$1.8 million;
- É recognition that the physicians' testimony is a symptom of a much larger problem with the health care system;
- É the reality of multiple needs and limited, fixed resources; and
- É the potential for tort reform as a vehicle to attract physicians into the state at no cost to the state.

Report on State Facilities

Katrina Hotrum, division director, with Anita Westburg and Naomi Ulibarri Neraga, all of the Office of Facilities Management in the DOH, testified. The state runs seven facilities meeting diverse needs and serving diverse populations. The DOH has reorganized this division in a more businesslike manner to maximize efficiency, consistency and productivity in these sites. The department has identified a critical need for a long-term care psychiatric facility. Challenges are great in recruitment and retention of staff, the rising cost of gasoline and aging buildings. Despite the challenges, the office is doing very well and doing some exciting things. She identified some specific measures at each of the facilities. Goals for the Office of Facilities Management include establishing best practices statewide, identifying programs to address gaps and needs, ensuring availability of safety net providers, continuously monitoring regulatory compliance, developing strategies for recruitment and retention and ensuring the financial viability of each facility.

The committee raised the following issues and concerns:

- É ways in which to attract health care professionals to work in state facilities, including salary issues; the State Personnel Office is conducting a study on this;
- É the current status of the old Turquoise Lodge site;
- É the ability of the Behavioral Health Institute to offer a sexual offender treatment program; Ms. Hotrum will provide statistics about that program;
- É options for long-term treatment of people with traumatic brain injuries; and
- É treatment options for people with addictions in state facilities.

Senator Feldman invited public comment. There being none, the committee adjourned at 3:40 p.m.